

Apple (UK) Limited

**Directors' report and
financial statements**

Year ended 26 September 2009

Registered number 1591116

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Apple (UK) Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1-3
Statement of directors' responsibilities in respect of the Directors report and the financial statements	4
Independent auditor's report to the members of Apple (UK) Limited	5-6
Profit and loss account	7
Balance sheet	8
Notes	9-22

Apple (UK) Limited

Registered Number 1591116

Directors' report

The directors present their annual report and audited financial statements for the year ended 26 September 2009

Principal activities and business review

Apple (UK) Limited provides services to group companies. These services include sales support, marketing and technical support. As of 26 September 2009, the company had 253 employees resulting in a weekly average of 242 employees, which was an increase of 21% on the prior year. This growth was seen primarily in the sales support and marketing area. The company operates a branch office in The Russian Federation to provide sales support, marketing and other services to group companies trading with Russian customers. There are currently 18 employees in this branch, 15 of which are employed in Sales.

Apple (UK) Limited is a wholly owned subsidiary of Apple Inc., a company incorporated in California, United States of America and listed on the Nasdaq exchange. The Apple Inc. group of companies, referred to collectively as "Apple" design, manufacture and market

- Macintosh personal computers and related software, services and peripherals,
- Digital music players (iPod) and related accessories and services including the online sale of audio and video, TV shows and movies and mobile phones (iPhone)

During 2009, Apple has continued to update its Mac line and applications. Apple also updated its popular iPod music players with new Nano and Shuffle, upgraded Classic and Touch iPod models and introduced the iPhone 3Gs in July.

Apple sells to education, consumer, creative professional, and business and government customers through a variety of direct and indirect distribution channels. Apple (UK) Limited's principal business is the provision of sales support and marketing services in connection with sales of Apple products in the UK market.

Sales of Apple products have been growing in recent years with Apple Inc recording a 14% growth in worldwide net revenue in Fiscal Year 2009 over Fiscal Year 2008. This strong performance in worldwide sales of Apple products is also reflected in the underlying sales of Apple products in the UK market and is therefore the basis for robust financial performance of Apple (UK) Limited.

The results of the company for the year ended 26 September 2009 as set out on page 7 are considered satisfactory.

Risks and uncertainties

The risks and uncertainties faced by the business are those typical of the technology sector, but are mitigated by the historically strong financial performance of the company and its long standing reputation and tradition within the sector.

The directors consider the principal risks and uncertainties facing the company are

- margin reduction due to competition
- retaining key employees and succession planning
- a rising cost base
- a sharp downturn in individual and commercial spends

Apple (UK) Limited

Directors' report *(continued)*

Risks and uncertainties *(continued)*

The directors believe that these risks are effectively managed through a strong focus on competition, on our cost base and on our key employees

Key performance indicators

Key performance indicators that are focused on by management include

- Sales
- Margin
- Overheads
- New industry developments

Each of these indicators are monitored by local management against budget and against prior periods. The directors are satisfied with the performance of the company during the year with regard to the indicators above

Results

The profit for the year after taxation amounted to £15,775,000 (2008 £9,680,000 profit)

Dividend

No dividend was paid in the year (2008 £Nil)

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years

Directors

The directors who held office during the year were as follows

Peter Oppenheimer (also secretary since 11 May 2006)

Gary Wipfler

Tim Cook (resigned 17 November 2009)

Political and charitable contributions

The company made no political contributions during the year (2008 £Nil). The company made no donations to charities during the year (2008 £Nil)

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004

Post balance sheet events

No important events affecting the company have taken place since the end of the financial year

Apple (UK) Limited

Directors' report *(continued)*

Disclosure of information to the auditor

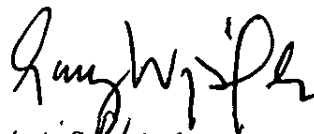
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Election of the auditor

In accordance with s 487 of the Companies Act 2006, Ernst & Young, Chartered Accountants will be deemed reappointed as auditors of the company

By order of the board

Director


Print Gary Wipfler

Dated 10 May 2010

100 New Bridge Street
London EC4V 6JA

Apple (UK) Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditor's report to the members of Apple (UK) Limited

We have audited the financial statements of Apple (UK) Limited for the year ended 26 September 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 26 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Apple (UK) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


Anne O'Leary (Senior Statutory Auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Cork, Ireland.

14 May 2010

Apple (UK) Limited

Profit and loss account

For the year ended 26 September 2009

	<i>Note</i>	2009 £'000	2008 £'000
Turnover – continuing operations	2	51,041	42,326
Gross profit		51,041	42,326
Distribution costs		(866)	(589)
Administrative expenses		(33,188)	(28,281)
Operating profit – continuing operations	3	16,987	13,456
Interest receivable and similar income	6	967	714
Interest payable and similar charges	7	(160)	(87)
Profit on ordinary activities before taxation		17,794	14,083
Tax on profit on ordinary activities	9	(2,019)	(4,403)
Profit for the financial year		15,775	9,680

There are no recognised gains or losses for either year other than the profit attributable to the members of the company

Apple (UK) Limited

Balance Sheet

at 26 September 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	10	2,604	2,623
Investments	11	3,715	3,715
		<u>6,319</u>	<u>6,338</u>
Current assets			
Debtors	12	50,683	27,431
Cash at bank and in hand		681	4,551
		<u>51,364</u>	<u>31,982</u>
Creditors: amounts falling due within one year	13	(4,752)	(5,469)
		<u>46,612</u>	<u>26,513</u>
Total assets less current liabilities		<u>52,931</u>	<u>32,851</u>
Provision for liabilities	14	(1,049)	(982)
Net assets		<u>51,882</u>	<u>31,869</u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account	16	41,102	25,327
Capital contribution reserve	17	9,780	5,542
		<u>51,882</u>	<u>31,869</u>
Shareholders' funds		<u>51,882</u>	<u>31,869</u>

These financial statements were approved by the board of directors on 10 May 2010 and were signed on its behalf by

Director

Print

Gary W. P. A. / G

Dated 10 May 2010

100 New Bridge Street
London EC4V 6JA

Apple (UK) Limited

Notes forming part of the financial statements
Year ended 26 September 2009

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Cashflow

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Related party transactions

As the company is a wholly owned subsidiary of Apple Inc the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

The consolidated financial statements of Apple Inc, within which the results of this company are included, can be obtained from the address given in the notes to the accounts

Investments

Investments are valued at cost, less any charge for impairment

Fixed assets & depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Office equipment	20% straight line
Leasehold improvement	lesser of 10 years or lease term
Apple own use	33% - 100% straight line

Apple (UK) Limited

Notes (continued)

1 Accounting policies (continued)

Taxation

Current tax is provided on the company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease

Turnover

The company earns income under service agreements in place with related group undertakings. Income receivable for the provision of services to group companies is recognised when earned

Apple (UK) Limited

Notes (continued)

1 Accounting policies (continued)

Equity settled share based payment transactions

The Apple share schemes allow employees to acquire shares in Apple Inc. They are all equity settled. The fair value of share entitlements granted is recognised as an employee expense in the profit and loss account with a corresponding increase in a capital contribution reserve. Apple Inc. uses the Black-Scholes-Merton (BSM) option-pricing model to calculate the fair value. Share entitlements granted by Apple Inc. are subject to certain non-market based vesting conditions. Non-market vesting conditions are not taken into account when estimating the fair value of entitlements as at the grant date. The expense for the share entitlements shown in the profit and loss account is based on the fair value of the total number of entitlements expected to vest and is allocated to accounting periods ratably over the vesting period. The cumulative charge to the profit and loss account is only reversed where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the company before the end of the vesting period.

2 Turnover

As permitted by paragraph 68(5) of Schedule 1 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, turnover is not analysed as in the opinion of the directors the disclosure of this information would be seriously prejudicial to the interests of the company.

3 Operating profit

	2009 £'000	2008 £'000
<i>Operating profit is stated after charging</i>		
Auditor's remuneration		
- audit	66	44
Depreciation	715	476
Hire of plant and machinery		
- rentals under operating leases	225	198
Other operating lease rentals	1,731	1,311
	<u> </u>	<u> </u>

4 Remuneration of directors

	2009 £'000	2008 £'000
Emoluments (including pension contributions)	-	-
	<u> </u>	<u> </u>

One director exercised share options in Apple Inc. during the year (2008: 2)

Apple (UK) Limited

Notes (continued)

5 Staff numbers and costs

The average weekly number of employees during the year was 260 (2008 208) and is analysed into the following categories

	2009 Number	2008 Number
Sales/Marketing	174	132
Finance/Administration	36	34
Technical	50	42
	<u>260</u>	<u>208</u>

Staff costs can be analysed as follows

	2009 £'000	2008 £'000
Wages and salaries	15,514	13,058
Social security costs	2,265	1,860
Other pension costs	546	392
Share based payments (note 8)	4,238	3,670
	<u>22,563</u>	<u>18,980</u>

6 Interest receivable and similar income

	2009 £'000	2008 £'000
Bank interest receivable	66	263
Interest from loans to related undertakings	571	423
Other	330	28
	<u>967</u>	<u>714</u>

7 Interest payable and similar charges

	2009 £'000	2008 £'000
Bank charges and fees	7	7
Other	153	80
	<u>160</u>	<u>87</u>

Apple (UK) Limited

Notes (continued)

8 Share-based payments

Apple Inc, has two share option schemes in operation for Apple (UK) Limited employees and executives of the company (the "2003 Employee Stock Plan" and the "Employee Stock Purchase Plan") Details of the respective plans are outlined below

The 2003 Employee Stock Plan (the "2003 Plan") is a shareholder approved plan that provides for broad-based grants to employees, including executive officers The 2003 Plan permits the granting of incentive stock options, nonstatutory stock options, restricted stock units ("RSUs"), stock appreciation rights, stock purchase rights and performance-based awards Based on the terms of individual option grants, options granted under the 2003 Plan generally expire 7 to 10 years after the grant date and generally become exercisable over a period of four years, based on continued employment, with either annual, semi-annual or quarterly vesting In general, RSU's granted under the 2003 Plan vest over two to four years, are subject to the employees' continued employment and do not have an expiration date

Apple Inc has a shareholder approved employee stock purchase plan (the "Purchase Plan"), under which substantially all employees may purchase common stock through payroll deductions at a price equal to 85% of the lower of the fair market values as of the beginning and end of six-month offering periods Stock purchases under the Purchase Plan are limited to 10% of an employee's compensation, up to a maximum of USD 25,000 in any calendar year

As grants of share options have occurred since 7 November 2002, which have not vested by 1 January 2006, the recognition and measurement principles of FRS 20 have been applied by the company in the current year The terms and conditions of each grant is as follows, all options are to be settled by physical delivery of shares:

Grant date / entitled employees	Number of instruments in thousands	Vesting conditions	Contractual life of options
Options Granted in 2001	512	1 to 4 years service	7-10 Years
Options Granted in 2002	170	1 to 4 years service	7-10 Years
Options Granted in 2003	5	1 to 4 years service	7-10 Years
Options Granted in 2004	88	1 to 4 years service	7-10 Years
Options Granted in 2005	46	1 to 4 years service	7-10 Years
Options Granted in 2006	23	1 to 4 years service	7-10 Years
Options Granted in 2007	116	1 to 4 years service	7-10 Years
Options Granted in 2008	155	1 to 4 years service	7-10 Years
Options Granted in 2009	64	1 to 4 years service	7-10 Years
Total share options	1,179		

Apple (UK) Limited

Notes (continued)

8 Share-based payments (continued)

The number and weighted average exercise price is as follows

	Weighted average price 2009 USD	Number of options 2009 '000	Weighted average price 2008 USD	Number of options 2008 '000
Outstanding at 27 September 2008	110.56	332	66.06	203
Forfeited during the period	173.99	(10)	112.56	(6)
Exercised during the period	69.44	(65)	36.57	(20)
Granted during the period	95.88	64	169.99	155
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at 26 September 2009	119.16	321	110.56	332
Exercisable at 26 September 2009	<u>100.93</u>	<u>138</u>	<u>71.36</u>	<u>110</u>

The options outstanding at 26 September 2009 have an exercise price of USD 100.93 and a weighted average contractual life of 2 years

Stock-based compensation cost for RSUs is measured based on the closing fair market value of Apple Inc's common stock on the date of grant. Stock-based compensation cost for stock options is estimated at the grant date based on each option's fair-value as calculated by the BSM option-pricing model. The BSM option-pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The expected volatility is based on the historical volatility of Apple Inc's common stock over the most recent period commensurate with the estimated expected life of the stock options and other relevant factors including implied volatility in market traded options on Apple Inc's common stock. Apple Inc. bases its expected life assumption on its historical experience and on the terms and conditions of the stock awards it grants to employees. The Company recognises stock-based compensation cost as expense ratably on a straight-line basis over the requisite service period.

The weighted average assumptions used for 2008 and 2009, and the resulting estimates of weighted-average fair value per share of options granted and of employee stock purchase plan rights ("stock purchase rights") during those periods are as follows

	2009	2008
Expected life of stock options	4.54 years	3.41 years
Expected life of stock purchases	6 months	6 months
Interest rate - stock options	2.04%	3.40%
Interest rate - stock purchases	0.58%	3.48%
Volatility - stock options	50.98%	45.64%
Volatility - stock purchases	52.16%	38.51%
Dividend yields	-	-
Weighted-average fair value of options granted during the year	\$38.03	\$63.18
Weighted-average fair value of stock purchases during the year	\$31.37	\$42.27

Apple (UK) Limited

Notes (continued)

8 Share-based payments (continued)

The weighted-average grant date fair value of RSUs granted during the year ended September 26, 2009 was \$101.17 (2008 \$170.74)

Employee expenses (Note 5)	£'000	£'000
Total employee cost	4,238	3,670

9 Tax on profit on ordinary activities

(a) Analysis of tax charge

	2009 £'000	2008 £'000
UK Corporation tax (note 9 (b))	3,908	4,299
Total current tax charge	3,908	4,299
Origination and reversal of timing differences	(1,889)	104
Deferred tax (note 12)	(1,889)	104
Tax on profit on ordinary activities	2,019	4,403

(b) Factors affecting tax charge for year

The current tax charge for the period is lower than the standard rate of corporation tax in the UK of 28% (2008 28%). The differences are explained below

Apple (UK) Limited

Notes (continued)

9 Tax on profit on ordinary activities (continued)

Current tax reconciliation	2009	2008
	£'000	£'000
Profit on ordinary activities before tax	17,794	14,083
Taxation charge at UK corporation tax rate of 28% (2008 28%)	<u>4,982</u>	<u>3,943</u>
Effects of		
Group relief received from Apple Retail UK	(212)	-
Russian tax current year adjustments	91	-
Russian tax rate difference	37	-
Expenses not deductible for tax purposes	1,187	1,028
Depreciation for period in excess of capital allowances	(6)	(104)
Permanent timing differences	156	113
Prior year taxes	115	(49)
Share scheme deduction	(2,442)	(632)
Total current tax charge	<u>3,908</u>	<u>4,299</u>

Apple (UK) Limited

Notes (continued)

10 Tangible fixed assets

	Leasehold improvement £'000	Office equipment £'000	Apple own use £'000	Total £'000
<i>Cost</i>				
At beginning of year	2,060	1,332	247	3,639
Additions	-	603	94	697
Disposals	-	(3)	(46)	(49)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	2,060	1,932	295	4,287
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>				
At beginning of year	482	287	247	1,016
Charge for year	184	437	94	715
Disposals	-	(2)	(46)	(48)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	666	722	295	1,683
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>				
At 26 September 2009	1,394	1,210	-	2,604
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 27 September 2008	1,578	1,045	-	2,623
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11 Investments

	Share in group undertakings £'000
Cost at beginning and end of year	3,715
	<u> </u>

The above investment represents 3.58% of ordinary share capital of Apple Operations International, a company incorporated in the Republic of Ireland. In the opinion of the directors, the investment in Apple Operations International is worth at least the amount at which it is stated in the balance sheet.

Apple (UK) Limited

Notes (continued)

12 Debtors

Debtors due within one year:

	2009 £'000	2008 £'000
Amounts owed by group undertakings	19,743	18,775
Loans to related undertakings	27,990	6,982
Other debtors and prepayments	723	644
VAT receivable	133	267
Deferred tax asset	2,094	205
	<u>50,683</u>	<u>26,873</u>

Debtors due after more than one year:

Amounts owed by group undertakings	-	558
	<u>50,683</u>	<u>27,431</u>

The loans to group undertakings are interest bearing (Interest Rate 1.19%) The amounts owed by related undertakings are non-interest bearing In general balances are settled every quarter

The company has a recognised deferred tax asset of £2,094,000 (2008: £205,000) comprising

Deferred tax

	2009 £'000	2008 £'000
Accelerated capital allowances	(7)	59
Leasehold retirement obligation	114	114
Trading loss of Russian Branch	-	32
Share based payments timing difference	1,987	-
	<u>2,094</u>	<u>205</u>

Apple (UK) Limited

Notes (continued)

13 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to Group undertakings	-	156
Trade creditors	894	1,118
Social security	794	573
Accruals	1,138	936
Corporation tax payable	1,926	2,686
	<u>4,752</u>	<u>5,469</u>

The amounts owed to related undertakings are non-interest bearing. In general balances are settled every quarter.

14 Provision for liabilities

	2009 £'000	2008 £'000
Asset retirement obligation	1,049	982
	<u>1,049</u>	<u>982</u>

The provision for liabilities is in respect of an asset retirement obligation whereby the company has an obligation to restore its leased premises to its original condition on vacation of the premises at the end of the lease in 2017. The company has provided for expected future costs of £1,583,000 in this regard and has discounted them at a rate of 5.83% to net present value.

Apple (UK) Limited

Notes (continued)

15 Called up share capital

	2009	2008
	£'000	£'000
<i>Authorised, called up and fully paid</i>		
1,000,000 ordinary shares of £1 each	1,000	1,000

16 Reconciliation of profit and loss reserves

	2009	2008
	£'000	£'000
Opening profit and loss reserve	25,327	15,647
Total recognised gains and losses for year	15,775	9,680
	<hr/>	<hr/>
Profit and loss account reserve at end of year	41,102	25,327

17 Capital contribution reserve

	2009	2008
	£'000	£'000
At beginning of year	5,542	1,872
Capital contribution during year (note 8)	4,238	3,670
	<hr/>	<hr/>
At end of year	9,780	5,542

Apple (UK) Limited

Notes (continued)

18 Reconciliation of movement in shareholders' funds	2009	2008
	£'000	£'000
Opening shareholders' funds	31,869	18,519
Total recognised gains and losses for year	15,775	9,680
Capital contribution during year (Note 17)	4,238	3,670
Closing shareholders' funds	51,882	31,869

19 Pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independent administered fund. The pension costs charged for the period represents contributions payable by the company to the scheme and amounted to £545,500 (2008 £392,149). The liability outstanding at year end was £101,818 (2008, £63,165).

20 Commitments

Capital commitments

There were no capital commitments at 26 September 2009 (2008 £Nil).

Lease commitments

The annual commitments under non-cancellable operating leases at 26 September 2009 are as follows:

	2009		2008	
	Buildings	Other	Buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire				
- within one year	-	9	-	28
- in the second to fifth year	-	151	-	210
- over five years	1,516	-	1,311	-
	<u>1,516</u>	<u>160</u>	<u>1,311</u>	<u>238</u>

Guarantees

The company has issued a guarantee in favour of HM Customs & Excise in the amount of £100,000.

Apple (UK) Limited

Notes (continued)

21 Ultimate parent company and parent undertaking of largest group of which the company is a member

Apple Inc , a company incorporated in California, United States of America, is the ultimate parent undertaking and controlling party and is both the smallest and largest undertaking into which the results of Apple (UK) Limited are consolidated

Copies of Apple Inc , accounts may be obtained from

1 Infinite Loop
Cupertino
CA 95014
USA

22 Post balance sheet events

No important events affecting the company have taken place since the end of the financial year

23 Approval of financial statements

The directors' issued and approved the financial statements on 10 May 2010